

Executive Registry

82-2204/1

Washington, D.C. 20505

28 January 1982

The Honorable Edward P. Boland, Chairman  
 Permanent Select Committee on Intelligence  
 House of Representatives  
 Washington, D.C. 20515

Dear Mr. Chairman:

STAT In my letter of 31 October 1981, I notified you that I had engaged  
 STAT the services of the consulting firm [redacted]  
 [redacted] to address your concerns regarding our compensation of CIA personnel.  
 [redacted] has completed this task and summarized its conclusions in the enclosed  
 report which I agreed to have in your hands by 1 February 1982.

You will remember that in order to examine the effectiveness of our  
 compensation practices and to adequately deal with the question of pay  
 comparability, you asked CIA to undertake a review of selected overseas  
 Intelligence Community positions. We consequently invited other major  
 Community agencies [redacted]

[redacted] to participate. Each of these  
 gave us their fullest cooperation and has been briefed as to findings and  
 furnished with copies of the report.

While the report stands alone, I would like to call your attention to  
 a few relevant points as to the methodology followed and recommendations made  
 by the consultants. First, regarding methodology, because we insisted that  
 the consultants take a first-hand look at representative positions, two teams  
 [redacted] were sent to [redacted] foreign field  
 sites and received [redacted] briefings and conducted, in the aggregate, [redacted] interviews.  
 Secondly, we asked that they follow a total compensation approach, thus  
 examining the benefit package as well as base salary. Third, for ease of  
 understanding, we requested that, as a means of measuring comparability, they  
 utilize the Factor Evaluation System which has wide-spread usage in the  
 Federal personnel community.

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25X1 After concluding from their fact-finding survey that additional pay for  
 [redacted] overseas employees is warranted, [redacted] recommended that the  
 Agency retain, on an interim basis, the present overseas differential  
 pending the outcome of additional study and the possible need for a different  
 CIA pay system.

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I agree with the conclusions of the consultants that the overseas differential should be considered a temporary measure and that additional study is needed to determine whether CIA should establish a new overseas or Agency-wide pay system. We plan to proceed accordingly and will know within a few months which direction the recommendations will take us.

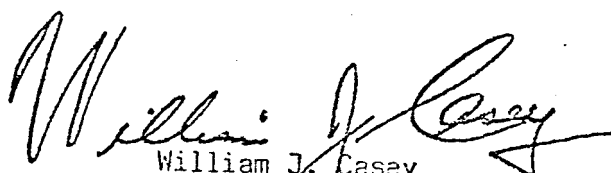
Now that the overseas question has been examined, I expect [redacted] the remaining portion of their review by mid-April. We will need a short amount of time after this to consider any additional recommendations. In the interim, until we can agree on a permanent solution, I request your continued support of the existing [redacted] overseas differential. We will be available to discuss any questions you may have concerning the study.

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Sincerely,

  
William J. Casey  
Director of Central Intelligence

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